

Pricing Guidance

A step-by-step guide with tools and checklists for business owners to set pricing for bids

1. Pricing Models

Decide how to structure your pricing. Options include:

- Hourly Rates – Bill for time spent (consulting, legal, IT).
- Fixed Fees – Flat price for a defined deliverable (construction, marketing).
- Retainers – Ongoing monthly fees for consistent services (advisory, IT support).
- Performance-Based – Pricing tied to outcomes (savings achieved, milestones).

2. Market Benchmarks

Use industry ranges to stay competitive:

- Entry-Level Work: \$50–\$125/hour or \$5,000–\$15,000/month
- Mid-Level Services: \$125–\$200/hour or \$15,000–\$50,000/month
- Senior/Expert Roles: \$200–\$350+/hour or \$50,000–\$100,000+/month

3. Cost Calculation

Pricing must cover all costs plus profit:

- Direct Costs: Labor, materials, subcontractors.
- Indirect Costs: Rent, software, insurance, admin staff, marketing.
- Profit Margin: Typically 15–40%.

Formula: Loaded Hourly Rate = (Direct Labor + Indirect Costs) ÷ Billable Hours + Profit Margin

4. Adjust for Scope, Risk, and Complexity

Raise your price for projects that are:

- Highly regulated (healthcare, defense, finance).
- Requiring specialized skills or certifications.
- Larger in scope or requiring more FTEs.
- Risky, with tight timelines or high compliance requirements.

5. Tailor to Buyer's Needs

Buyers look for clarity and fairness:

- Clear: Easy to understand pricing tables.
- Compliant: Matches the RFP format exactly.
- Valuable: Demonstrates efficiency, savings, or reliability.
- Competitive: Within market ranges.

6. Bid / No-Bid Filter

Use this checklist before you invest time:

- Do you meet all mandatory requirements?
- Do you have past performance to showcase?
- Is the contract size realistic for your business?

7. Pricing Package Template

Use this table to structure your pricing:

Service/Deliverable	Estimated Hours	Hourly Rate	Cost	Notes

8. Common Mistakes to Avoid

- Forgetting to factor in indirect costs (rent, software, admin support).
- Bidding too low just to win.
- Missing addendums or not clarifying unclear requirements.
- Overcommitting to unrealistic timelines.
- Forgetting to include risk margin.

9. Pricing Action Plan

- Benchmark competitors, create cost calculator, build proposal templates.
- Price at least two real bids, track assumptions, request feedback.
- Refine pricing model, add certifications, scale up bid submissions.

10. Resources

- This website shows you government rates for similar roles in your business

<https://buy.gsa.gov/pricing/qr/know-more>

- Use the Bureau of Labor Statistics to find wage rates that can guide your pricing.

<https://data.bls.gov/oesprofile/>

- Select your occupational group.
- Select the Detailed Occupations
- For Measures select the Mean Hourly Wage

Occupational Employment and Wage Statistics (OEWS) Profiles



May 2024 OEWS Profiles

[\(For more information or help\)](#)

Major occupational group: Business and Financial Operations Occupations

Detailed Occupations: Financial Specialists, All Other

Measures: Hourly mean wage

Industry State Metropolitan and nonmetropolitan area

Display 15 records

NOTE: A wage measure has been selected. All relevant footnote 5 records, which represents wages greater than or equal to \$115.00 per hour or \$239,200 per year, will be returned and the display filter limit will be ignored.

Search

Estimates for all OEWS occupations are available for download at <https://www.bls.gov/oes/tables.htm>.

Additional data visualizations are available at [OEWS Maps](#).

Key figures to extract:

- Mean hourly wage
- Median hourly wage
- Annual mean wage (divide by 2,080 hours to convert to hourly)

These represent what businesses might pay for **in-house talent**. As a consultant, you're covering overhead, business costs, and your margin, so your rate should be **1.5x to 3x** this figure.

Example:

If BLS says the median hourly wage for "Management Analysts" in Texas is **\$47.50**, your consulting rate might reasonably be between **\$71–\$142/hour**, depending on value, expertise, complexity and scope. You want to remain competitive and not price yourself out of the market.